

to adhere to this schedule or if other reasons justify a reduction in the number of units or change in the unit mix.

§ 882.503 Obtaining proposals from owners.

(a) *Public notice to owners.* Promptly after receiving the executed ACC, and thereafter as may be necessary, the PHA must make known to the public, through publication in a newspaper of general circulation as well as through minority media and other suitable means, the availability and nature of the Program. The notice must inform Owners where they may apply for the Program and must be made in accordance with the HUD guidelines for fair housing requiring the use of the equal housing opportunity logotype, statement and slogan.

(b) *Owner proposals.* The PHA must develop a proposal format for Owners wishing to apply for participation in the Program which will require, at a minimum, the following information:

- (1) Owner and building identification,
- (2) Number and bedroom size of unit(s) to be rehabilitated,
- (3) Rent history by bedroom size,
- (4) Proposed rehabilitation work,
- (5) Tenant information and whether the Owner anticipates that permanent displacement or temporary relocation of tenants will be necessary,
- (6) The prior participation of the Owner in HUD Programs, and
- (7) The Owner's plans for managing and maintaining the unit(s) under the proposal.

§ 882.504 Assistance to owners and selection of units.

(a) *Initial inspection.* For all proposals selected for further processing, the PHA must inspect the property. A determination must be made by the PHA as to the specific work items which need to be accomplished to bring the unit(s) to be assisted up to the Housing Quality Standards specified in §§ 882.109 and 882.404 (or other standards as approved in the PHA's application) or to repair or replace major building systems or components in danger of failing.

(b) *Preliminary feasibility analysis.* A rough cost estimate and cash flow analysis of the property following reha-

bilitation must be made by the PHA. A determination of the necessity for any permanent displacement and/or temporary relocation and a preliminary estimate of the cost of any temporary relocation must be made by the PHA. If the proposal is determined to be feasible, analysis of additional energy conserving improvements which may be cost effective and which may be accomplished within the Fair Market Rent limitations of the Program must be made. The Owner must be required to provide energy conserving improvements in accordance with § 882.404(a). A preliminary estimate of Gross Rents should be made based upon the estimates of rehabilitation, temporary relocation and energy conserving improvements costs.

(c) *Selection of Proposals.* After the initial inspection and preliminary feasibility analysis, the PHA should select among Owner proposals those proposals which it will approve. The PHA must establish a method of selecting among Owner proposals and must make this method known to any Owner submitting or planning to submit a proposal. Proposals must be approved in accordance with criteria established by the PHA and approved by HUD, and in accordance with the following requirements:

(1) No proposal found infeasible by the PHA in the preliminary feasibility analysis may be approved unless the Owner can demonstrate that the allowable rent will be sufficient to rehabilitate, manage and maintain the unit(s) adequately;

(2) If, during the preliminary feasibility analysis, it is determined by the PHA that the work necessary to bring a unit(s) to the Housing Quality Standards, or other standards approved for the Program, or to repair or replace major systems is not sufficient to meet the \$1000 per unit minimum amount of rehabilitation requirement, that unit(s) may not be assisted under the Program.

(3) If a unit(s) does not meet the requirement of paragraph (c)(2) but the Owner is proposing to accomplish at least \$1000 per unit of rehabilitation by including work to make the unit(s) accessible to a handicapped or disabled